STUDY ON

FRANCO-ONTARIAN SMALL BUSINESSES

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for the

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

The Study Report on Franco-Ontarian Small Businesses surveyed 727 Francophone firms located across Ontario and operating in all sectors of the economy. The lack of historical comparative data related to Franco-Ontarian small businesses limits the possibilities of establishing trends, variations or any structural modifications in the composition and operations of these businesses. Nevertheless, the present survey suggests the following observations:

1) Franco-Ontarian small businesses do operate in the North American economic environment and as such they possess several characteristics which are shared by other economic entities.

2) The United States is the major partner for the firms which are engaged in export activities. But only 8.3 percent of total firms are engaged in an export activity.

3) Small francophone businesses are highly diversified and operate in all sectors of the economy.

4) There is a clear concentration in the Retail Trade (23.6 percent) and Personal and Community Services (14.5 percent) whereas the Business Services sector (6.3 percent) is marginally penetrated by francophone firms.

5) Nearly one fourth of the firms are owned by women. Women entrepreneurs are gaining prominence.

6) The average weighted age of respondents is 47 years. Nearly 18 percent of the owners are younger than 32 years old. Demographic studies on small business ownership suggest that more young people are pursuing entrepreneurial careers.

7) About 10 percent of the respondents reported having less than grade 9 education. The weighted average for all respondents is 12 years of schooling.

8) Firms operating on a "partnership basis" (33.3 percent of the total) have Francophone partners in a very large measure (96 percent).

9) Small francophone firms are well established and on an average have been in operation, 16 years and 93 percent operate all year-around. In fact, 85 percent of the firms have been in operation for 5 years or more.

10) A wide variance was reported in the distribution of gross revenues (sales). Nearly 17 percent reported annual sales of less than $50,000 whereas one third of the firms declared annual sales of $1 million and over.

11) The large majority of the firms (92.7 percent) reported healthy gains in their sales (previous three years). The average growth for the sample was 15 percent per annum.

12) Only 6.5 percent of the surveyed firms are expecting a drop in their revenues in the next three years. The average future growth for the sample is approximately 17 percent per year.

13) Funds required to start a small business are reasonably modest. Over 50 percent of the surveyed firms indicated a level of start-up investment of less than $30,000.

14) On average, owners invested about 70 percent of the total required start-up investment. The remaining 30 percent came from other sources including banks, families, partners and friends.

15) Banks (70.7 percent) and Caisses populaires (24.6 percent) are the major sources of external financing.

16) Fewer than 6 percent of the firms have more than 50 employees. The highest average number of employees is reported in the construction sector (17 employees) and the lowest is in retail trade (9 employees). The average for the sample is 12.4 employees.

17) Over 47 percent of the firms indicated that they encounter difficulties recruiting the required personnel in particular at the "skilled workers" level.

18) Nearly 20 percent of the firms have difficulties in keeping their personnel (turnover). This problem pertains to skilled as well as non-skilled workers.

19) About 10 percent of the firms indicated that "language" is partially responsible for the problems experienced in recruiting and retaining personnel.

20) Small firms lack the necessary resources and opportunities to invest in educational and training courses. The survey confirms this fact. Indeed only 48 percent of total employees attending training sessions while they were working.

21) The thirteen government programs aimed at providing financial as well as professional assistance to small businesses were accessed by less than 45 percent of the firms. Five programs accounted for about 80 percent of total utilization.

22) Familiarity with government programs appears quite low. Only 4 percent of the surveyed firms are familiar with seven (out of 13 programs) government programs. The familiarity rate for the other 5 programs ranged from 9.6 to 24.4 percent.

23) Ontario Summer Employment Program has the highest familiarity among respondents. However, even in that case, fewer than 25 percent of the firms were familiar with the program.

24) Close to two-thirds of the non-users of government programs indicated "lack of information" as the main reason for not using the programs.

25) The survey indicates the following as major problems affecting their operations:

- Recruitment of skilled labor
- Payroll taxes
- Government regulations and bureaucracy
- Lack of subsidies
- Energy and fuel costs
- Financing and cash flows

26) Franco-Ontarian small businesses use the French language slightly more than the English language (51.2 percent versus 48.8 percent). The use of French is much more predominant in internal communications (employees); English, on the other hand, has a wider use with the government and suppliers.

27) 47 percent of the firms "totally" use French as the communication language with their employees whereas 13 percent of the firms "totally" use English.

28) With respect to financial institutions some polarization is evident. One third of the firms communicate "totally" in French while about one fourth communicate "totally" in English language.

29) The same pattern is also evident in communications with government

Municipalities	"totally" in French - 35% of the firms "totally" in English - 28% of the firms
Provincial government	"totally" in French - 17% of the firms "totally" in English - 35% of the firms

30) A review of the language used in public relation functions indicates that English is more predominant in publicity and marketing. On average the French language is used in about 42 percent of the cases concerning signage and publicity.

INTRODUCTION

OBJECTIVE

The present study surveyed over 700 franco-ontarian small business owners from a wide range of sectors in the five geographical regions of Ontario. The study covers the following areas:

- *Operational profile of firms*
- *Financial profile of firms*
- *Employment profile of firms*
- *Familiarity with and use of government programs*
- *Communication and language usage*

Very sparse and unrelated information is presently available on the operational aspects of franco-ontarian small businesses. The main purpose of the present survey is to fill in the existing gap and provide the Ministry of Industry, Trade and Technology, with a statistical base, concerning the nature, structure and management of small businesses operated by Francophones in Ontario.

DEFINITION

The Province of Ontario defines a small business as an operation employing fewer than 100 people. The Small Business Loans Act considers a ceiling of $2 million annual sales (or revenues) as a constraint to identify a small business. The present study abides by the Ontario employment definition including only those firms with 100 employees or less. However, no distinction is made between the service and industrial sectors.

METHODOLOGY

SURVEY

The telephone survey method was used to collect information on francophone small businesses in Ontario. Initially, a list of 3,500 names was provided by the Ministry of Skills Development. Firms identified in this initial list were reasonably well distributed among the five regions of Ontario. However, after about one week of mostly unsuccessful attempts to contact francophone small businesses, the list was put aside. This list had not been updated; the listed firms were not always "small" and/or francophone and numerous telephone numbers were incorrect. In fact, the average was about one successful telephone call for every ten telephone calls. A new sampling list was developed using a different information base supplied by the Ministry, in addition to hundreds of new business names provided by Rhéal Leroux and Associates. Those names were derived from:

- *Nordaski*
- *Nordcom*
- *Regroupement des Gens d'Affaires*
- *Ministry of Industry, Trade, & Technology*
- *Femmes d'affaires*
- *AFAPRECO*
- *ACFO/Estrie*
- *etc.*

This new listing was more reliable. However, the demographic and industrial distribution of the five regions were not discernible. Nonetheless, the regional distribution of the sample was reasonably in line with the regional distribution of the francophone population.

Table 1
Percentage Distribution by Regions

Ontario regions	Survey	Ontario Small businesses 1988[1]	Francophone Population, 1986
East	73.4	13.2	41.5
Central	9.2	36.8	20.0
Northern	13.1	7.8	32.3
Metro Toronto (included in Central)	2.2	27.4	
Southwest	2.1	14.8	6.2
Total	100	100	100

The distortion variance in regional distribution is due to difficulties encountered in the search for information on small francophone businesses in Ontario. From a statistical viewpoint, the high concentration in the Eastern region limits the analysis to an aggregate approach. In respondent numbers this region dominates and, as such, the average for the group will always reflect the level of this region.

The French questionnaire was tested towards the end of November and the interviews were conducted during the period from December, 1989 to February, 1990. Twelve interviewers called over 3,000 francophone firms between 9 a.m. and 4:30 p.m. Interviews lasted about 35 minutes each. The reasons provided by the non-participants were centered around the following:

- *lack of time*
- *questionnaire is too long*
- *information required is not readily available*
- *no interest*

Whenever information was not readily available, the telephone interviewer suggested a call-back the following day or at a time more

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[1]Ministry of Industry, Trade and Technology "The State of Small Business", 1988.

convenient to the interviewee. While follow-up was costly and time consuming, it did increase the rate of response and provide the respondent the necessary time to obtain the required information.

QUESTIONNAIRE

The telephone survey questionnaire was developed in line with the basic objectives of the study covering some 40 questions in areas such as:

- structure of the firms
- operational base
- sectoral distribution
- products and services offered
- exports
- start-up investment
- gross revenues
- sources of financing
- past performance
- expected future performance
- employment
- recruitment and turnover problems
- training courses
- government assistance programs
- communication
- language used internally and externally
- respondent profile

Responses to five questions were not "quantifiable". These questions dealt specifically with:

- *major problems encountered by small businesses*
- *reasons for not using government programs*
- *difficulties associated with government programs offerings*
- *suggestions for improving government programs*
- *reasons for not using the French language more often.*

The questionnaire was structured into five major sections, namely:

a) Operational profile
b) Financial profile

c) Employment
d) Government programs
e) Communications

It should be noted that the questionnaire used was revised twice by the Ministry before the final statistical testing.

RATE OF RESPONSE

The rate of response is defined as the number of firms who answered a particular question over the total sample (727) and expressed as a percentage. This rate of response is influenced particularly by six factors:

- *the respondent's level of knowledge with regard to a specific question*
- *level of difficulty of questions*
- *length of questionnaire*
- *confidential aspects of responses*
- *interest or benefit of respondent to areas covered by the questionnaire*
- *level of authority of the questionning source.*

It is not possible to determine the importance of the above mentioned six factors. A great degree of variability does exist amongst the 40 questions contained in the questionnaire. Some questions are highly confidential while others are quite difficult to answer due to:

- *"recall" problems (e.g. start-up investment)*
- *lack of recorded data (e.g. language used)*
- *uncertain nature of the answer (e.g. expected growth over the next 3 years)*

The response rate is reasonable for this type of survey and the direct exchange between the respondent and the trained interviewer improved the quality and augmented the number of successful answers. All the questions were not answered by the 727 firms. In some situations, this was due to the nature of the question (e.g. only 60 firms are engaged in export activities) and therefore these non-responses were not tabulated in the rate of response while in other situations the respondents simply were not able to give appropriate reply or were unwilling to forward any answer.

PROFILE OF RESPONDENTS

SEX

When the questionnaire was designed and tested, it became apparent that the quality of the responses would be adequate and significant only if the answers were provided by the owner or his/her partner(s). When the owner or partners were not present, the interviewer made call-back appointment. As such, the sex distribution of respondents fairly well reflects the sex distribution of francophone ownerships.

Table 2
Sex Distribution of Respondents

Sex	Firms	Percentage
Male	535	76.0
Female	169	24.0
Total	704	100

In Ontario, 24 percent of newly-formed businesses are owned by women[2]. Women entrepreneurs are gaining prominence.

AGE

The 45-55 age group is the most representative among the respondents (35.3%). Nevertheless a few extremes were also observed. Thirty eight (38) respondents fell into the 21-27 age grouping and 4 respondents are over 73 in age.

Table 3
Age Distribution of the Respondents

Age groups	Firms	Percentage
21 - 27	38	5.3
28 - 32	87	12.1
33 - 44	242	33.7
45 - 55	254	35.3
56 - 61	58	8.1
62 - 72	36	5.0
73 +	4	0.5
Total	719	100

[2]Source: MITT, Internal research, January 1990

Two-thirds of the 719 respondents are in the 33-55 age group and the average weighted age of respondents is 47 years. Demographic studies on small business ownership suggest that more young people are pursuing entrepreneurial careers. New Ventures program data shows that some 50 percent of the new firms participating in the program are headed by people under the age of 30 (June 1988).

EDUCATION

About 10 percent of the respondents reported having less than a grade 9 level of schooling. On the other hand, close to one fourth of the respondents have indicated a university education level. The weighted average for all respondents is 12 years of education. The following Table shows the distribution by level of education in comparison to the Census of Canada, 1986.

Table 4
Level of Education
Percentage Distribution

Education Level	Survey	Census Ontario (1986)
Less than grade 9	9.7	14.6
Grade 9 - 13	48.7	44.6
Community college & other related institutions	17.2	21.3
University education	24.4	19.5
Total	100	100

OPERATIONAL
PROFILE OF FRANCOPHONE FIRMS

OWNERSHIP

Small businesses have two basic characteristics: they are not publicly owned and often belong to a single owner. The findings of the present study confirm these facts.

Table 5
Type of Ownership

	Firms	Percentage
Single Owner	473	66.7
Partnership	236	33.3
Total	709	100

In firms reporting more than one owner (partnership), there is strong evidence that a minimal number of partners is preferred. In effect, over 83 percent of firms account for three partners or less.

Table 6
Distribution of Number of Partners

Number of partners	Firms	Percentage	Cumulative Percentage
1	109	46.2	46.2
2	63	26.7	72.9
3	25	10.6	83.5
4	10	4.2	87.7
5	13	5.5	93.2
6 and more	16	6.8	100
Total	236	100	

The 236 francophone firms who operate on a "partnership basis" have indicated:

96 percent francophone partners
45 percent women partners

The average number of partners per firm is:

2.2 partners when the partners are men
1.3 partners when the partners are women

LEGAL ENTITY

Whenever a firm is incorporated, it becomes a legal entity and shares are issued to the owner or owners. It is perfectly acceptable and legal that all outstanding shares be owned by a single owner. For financial security reasons many firms prefer the incorporation form. Results of the survey confirm this fact.

A firm may simply be registered. Registration implies that the business is operating under a specific name other than the actual name of the individual, the partnership or the corporation.

Table 7
Legal Entity of Francophone Firms

	Firms	Percentage
Incorporated	391	65.0
Registered	211	35.0
Total	602	100

It is interesting to note that 30 percent of the firms were registered or incorporated in the last 5 years or less, while 17 percent were registered or incorporated for 20 years or more. The weighted average is close to 12 years. This implies that of the total sample of 727 companies about 220 companies were formed in the past five years. In Ontario the average rate of business formation in the small business sector is about double the rate experienced in the study sample.

YEARS IN OPERATION

Some firms have been in operation over 100 years while others started their business only in the last few years. The weighted operating life of the firms in the sample is 15.8 years and the distribution is widely dispersed as shown in the following Table.

Table 8
Years in Operation

Number of Years	Firms	Percentage
0 - 4	106	15.0
5 - 8	126	17.9
9 - 14	165	23.5
15 - 20	130	18.4
21 - 30	92	13.0
31 and more	86	12.2
Total	705	100

It should be noted that the average "years in operation" is about 16 years whereas the average years of registration or incorporation is 12. This discrepancy could be due to the following:

- *small firms were in operation before being incorporated or registered*
- *some firms have changed their legal form.*

While no inference can be made about the "survival rate", sample replies indicate a remarkable life stability. In fact, 85 percent of the respondent firms have been in operation for 5 years or more.

SECTOR

Considering the sample statistically representative, the sectoral distribution greatly reflects the areas of interest and activity of Franco-Ontarian firms. There is a certain concentration in the "retail sector" as well as "personal and community services".

As the average number of employees per firm is about 12 employees and over 95 percent of the surveyed firms have 50 employees or less, a comparison could be made with Ontario companies (1986) employing less than 50 persons.

Table 9
Sectorial Distribution

Sector	Firms	Percentage	Small business[3] Ontario
Retail trade	171	23.6	16.4
Personal and community services	105	14.5	9.0
Construction	89	12.2	12.7
Business services	46	6.3	28.2
Wholesale trade	44	6.1	6.5
Manufacturing	42	5.8	6.9
Transport/communication	34	4.7	3.5
Finance, Insurance, Real Estate	34	4.7	7.1
Primary	10	1.4	4.5
Other	150	20.6	5.2
Total	725	100	100

PRODUCTS

Sectoral analysis indicate the broad area of activity of respondent firms. To obtain details about the products and services offered, firms were asked to identify their major line of services and products. A list of over 100 products/services was compiled. Table 10 below summarizes responses accounting for about 60 percent of all products and services. Small businesses are actively engaged in a wide array of products and services including: *food, mechanic work, sand and gravel, clothing, cement, translation services, printing accounting, hotels/motels, communications drug stores, heating systems, travel, furniture, antiques, construction, camping, computers, cars, interior design, etc...*

[3]Statistics Canada "Employment Dynamics", 1988

Table 10
Distribution of Products/Services

Categories	Percentage of total
Suppliers of construction materials	7.1
Florists	6.6
Cleaners	5.9
Auto mechanics, bodyshop repair	4.7
Food & beverages, restaurants	4.7
Light machinery, appliances	4.5
Hardware	4.4
Transportation & storage	4.3
Meat and food products	4.3
Book, video stores	4.2
Furniture	4.0
Beauty shops	3.9
Other	41.4
Total	100

EXPORTS

Canada is an "open economy" with about one fourth of its national product oriented toward the export markets. Ontario reflects this situation with an export market of over 61 billion dollars in 1987 or 27.6 percent of its gross domestic product. For the same year, the Province of Quebec export market was over 20 billion dollars representing 15.5 percent of the gross domestic product of Quebec.

In the sample of the companies surveyed, only 60 companies or 8.3 percent of the total firms are engaged in some type of export activity. More than one third of these firms export less than 10 percent of the value of their production while 16.7 percent export 65 or more of their total production.

Table 11
Importance of the Export Market

Export as a percentage of total production	Firms	Percentage
1 - 10 %	21	35.0
11 - 19 %	7	11.7
20 - 30 %	5	8.3
45 - 64 %	3	5.0
65% and more	10	16.7
Could not specify a percentage	14	23.3
Total	60	100

FOREIGN MARKETS

The United States represents by far the largest export market for Francophone exporting firms followed by France and West Africa.

Table 12
Major Exports Destination Countries

Countries	Percentage of total	Québec[4]
United States	71.2	77.3
France	6.8	1.6
West Africa	5.1	0.8
Europe	3.4	12.5
Other	13.5	7.8
Total	100	100

This trend is in line with the pattern of exports in Ontario. Indeed, in 1987, total merchandise exports of Ontario amounted to $61 billions and exports to the U.S. reached 54 billion dollars or 88.5 percent.

[4]Statistique Québec, 1998

OPERATIONAL BASE

Financial viability is highly influenced by the length of time of operations. It has been observed that even typical seasonal business operations such as ski centres are now extending their season by offering recreational aquatic activities in the summer months. Such a time extension exerts downward pressures on unit costs by allocating fixed costs to a larger economic activity base. Only 51 firms (7 percent) reportedly operate on a seasonal basis. These firms are mainly concentrated in the following sectors: construction (14 firms), transportation (11 firms) and primary (10 firms).

Table 13
Operational Base

Base	Firms	Percentage
Annual	676	93
Seasonal	51	7
Total	727	100

Twelve percent of the firms that operate on a seasonal basis operate less than 5 months. However, the average length of operations for this group is about 8 months.

FINANCIAL PROFILE

GROSS REVENUES

Gross revenues (sales) is the best indicator of the size and importance of a business. Privately owned firms are not required to divulge details about their revenues, profits, sales or any other measure of operations. It is, therefore, not surprising that over one third of the companies interviewed refused to disclose their revenue levels. Of the respondent firms declaring their revenues, a wide variance was reported ranging from less than $25,000 to over $2 million as illustrated on Table 14. It is interesting to note that 20 percent of the companies, which declared annual revenues of less than $25,000, were operating on a seasonal basis.

Table 14
Gross Annual Revenues

Revenue Levels	Firms	Percentage	Cumulative percentage
Less than $25 000	40	9.2	9.2
$25 000 - $50 000	31	7.2	16.4
$50 000 - $100 000	59	13.6	30.0
$100 000 - $200 000	66	15.2	45.2
$200 000 - $500 000	93	21.5	66.7
$500 000 - $1 million	2	0.5	67.2
$1 million - $2 million	82	18.9	86.1
$2 million and over	60	13.9	100
Total	433	100	

Findings indicate that close to 33 percent of the firms have annual revenues of over one million dollars and 30 percent have annual revenues of $100,000 and less. Firms with annual revenues of two million dollars or more are mainly operating in the trade and primary sectors. These two sectors however, comprise over 56 percent of the firms which declared annual revenues of $2 million or more.

PAST GROWTH

It is interesting to note that over the past three years, only 41 companies or 7.3 percent of the total number of companies registered a decrease in their revenues. While six companies reported a 50 percent decrease, on average, a 5 percent annual decrease was reported for these companies. The large majority of respondents, (92.7 percent) reported healthy gains as shown in the Table 15.

Table 15
Annual Rate of Change, Revenues (Sales)
Past three years

Annual Rate of Change	Firms	Percentage
Average, 5% decrease	*41*	*7.3*
Less than 10% increase	175	31.1
11 - 20 % increase	196	34.9
21 - 30 % increase	81	14.4
31 - 40 % increase	31	5.5
41 - 50 % increase	9	1.6
50% and more increase	29	5.2
Total	562	100

The average growth per firm is approximately 15 percent per annum. This growth rate compares quite favourably with the growth rate of Ontario's gross domestic product which showed an average annual increase of about 9 percent over the last three years.

FUTURE GROWTH

Planning is an essential management function and forecasting future performance is the basis for efficient planning. Only 6.5 percent of the surveyed firms are expecting a drop in their revenues over the next three years and three firms are expecting a sizeable decrease in their revenues. The average decrease is about 6 percent per year.

The large majority (93.5 percent) expect healthy gains in their yearly revenues. Slightly more than four percent of the firms foresee an increase in overall revenues of over 50 percent per year with an average of about 17 percent for the total sample.

Table 16
Expected Annual Rate of Change: revenues (sales)
(Next three years)

Annual Rate of Change	Firms	Percentage
Average, 6 per cent decrease	*32*	6.5
Less than 10% increase	177	36.2
11 - 20% increase	176	36.0
21 - 30% increase	58	11.9
31 - 40% increase	23	4.7
41 - 50% increase	3	0.6
50% and more increase	20	4.1
Total	489	100

PROBLEMS

A study conducted in August, 1988, (Newly-Formed Small Businesses in Ontario) indicated that a shortage of skilled workers and the paperburden caused by the government regulatory environment were the major obstacles reported by small businesses in Ontario. Financial constraints were ranked as the third major impediment to growth. The present survey reaffirms these problems.

Ranking of Major Problems

. Recruitment of skilled labor
. Payroll taxes
. Government regulations and bureaucracy
. Lack of subsidies
. Energy and fuel costs
. Financing and cash flow

In addition, the following problems were also identified:

- Size of the market
- Competition
- The state of the economy (interest rates)
- Irregularity and uncertainty of contracts
- Insurance costs
- Financing clients
- Cost of modernizing equipment
- Cost of bilingualism

A cross-tabulation by industry shows no significant differences in the problems encountered by respondents. The problems appear to be affecting the different sectors with the same intensity and range.

START-UP INVESTMENT

"Start-up investment" is defined as funds required to launch a business venture. The amount and the distribution of the initial investment varies in accordance to size of the firm, extent of the operations and sector of operations (e.g. manufacturing versus retail trade). Funds required to start a small business are usually relatively modest. Close to two thirds of the surveyed firms stated an amount of $5 000 or less. The distribution of the initial investment is shown in the following Table. The weighted average is over $117,000. Evidently, this is due to the high level of investment experienced by some respondent firms.

Table 17
Start-up Investment

Amount	Firms	Percentage	Cumulative percentage
Less than $10 000	150	27.8	27.8
$11 000 - $20 000	75	13.9	41.7
$21 000 - $30 000	80	14.8	56.5
$31 000 - $50 000	51	9.4	65.9
$51 000 - $100 000	64	11.9	77.8
$101 000 - $250 000	61	11.3	89.1
$251 000 - $500 000	26	4.8	93.9
$501 000 and over	33	6.1	100.0
Total	540	100	

Weighted average $117 000

The following Table compares the distribution of firms by start-up investments and years of operation.

Table 18

Start-up Investments

Amount	Firms in operation less than 10 years Percentage	Firms in operation more than 10 years Percentage
Less than $10 000	19.9	8.9
$11 000 - $20 000	18.2	8.3
$21 000 - $30 000	9.7	8.3
$31 000 - $50 000	17.1	14.6
$51 000 - $100 000	11.9	18.2
$101 000 - $250 000	10.2	18.8
$251 000 - $500 000	8.5	12.0
$501 000 and more	4.5	10.9
Total	100	100

The above tabulations indicate that start-up investments of more recently established firms are smaller than the start-up investments of firms in existence 10 years or more. This investment difference may be due to:

- recent business formation has been mainly concentrated in the service sector where initial requirements are more modest than the investments required in the industrial sector.

- newly formed companies are now smaller in size. Availability of market information, government programs and other incentives induce individual entrepreneurs to launch their own business.

The weighted average start-up investment for the sample is about $117,000. However, the above mentioned data presents a comparability problem. An investment of $50,000 some forty years ago has a different value than the same investment five years ago. Time has value and the

initial investment has to be augmented in order to reflect the "present value". Due to the long period of analysis (e.g. firms established over 100 years ago), a 5 percent inflationary factor was used (not compounded) and the period was limited to 50 years.

This conversion was calculated as follows:

- *identification of start-up investment amounts as to time period when investment took place for each firm*
- *augment initial investment by an annual factor of 5 percent.*
- *adding investments and averaging.*

This above procedure yielded an average start-up investment of $210,000 compared to $117,000 had all initial investments been added up and averaged regardless of the time investment element. In fact, the sum of all the start-up investments amounted to $63 million. When this amount was adjusted in terms of inflation, it resulted in total investment of about $110 million.

Considering that newly formed small firms seldom have established credit, it is not surprising that close to 54 percent of the respondent firm owners provided over 90 percent of the initial investment required to start their business ventures. This fact is illustrated on the following Table.

Table 19
Start-up Investment
Initial Contributions by Owner

Percentage contribution	Firms	Percentage
Less than 10 percent	40	9.0
11 - 20	24	5.4
21 - 30	35	7.9
31 - 40	23	5.2
41 - 50	60	13.5
51 - 80	20	4.5
81 - 90	5	1.1
91 - 100	236	53.4
Total	443	100

On average, owners invested about 70 percent of the total required start-up investment. The remaining 30 percent came from other sources including banks, families, partners and friends.

Table 20
Sources of Start-up Investment

Sources	Percentage of total
Owner	69.9
Banks and financial institutions	18.1
Families	4.9
Partners	3.3
Friends	1.4
Governments	0.7
Other	1.7
Total	100

CAPITAL FORMATION

Capital formation is required for productivity improvement and sustained growth. On average, over the last three years, firms have reportedly invested approximately $140,000. This average figure conceals large variations. Some firms invested one thousand dollars; others invested over two million dollars. The maximum investment indicated was two and half million dollars. Large investments are more common in the wholesale trade and transportation sectors as is illustrated in the following Table.

Table 21
Percentage of Firms that invested over $250,000, (sectors)

	Percentage
Wholesale trade	35.4
Transportation	31.6
Construction	21.3
Primary	17.5
Personal and community services	16.3
Retail trade	14.5
Finances	11.1
Manufacturing	5.2
Business services	3.5

EXTERNAL FINANCING

Nearly every business, at one time or another, requires external financing. Such financing is usually required for specific purposes (e.g. purchase of machinery, equipment, land) related to the financing, expansion or operations of the firm. Over 600 companies reported the use of external financing institutions for their operations.

Table 22
Source of External Financing

Institutions	Number	Percentage
Banks	431	70.7
Caisses populaires	150	24.6
Trust companies	9	1.5
Credit unions	7	1.1
Other sources	13	2.1
	610	100

Banks and the caisses populaires are the major sources of external financing.

EMPLOYMENT

NUMBER OF EMPLOYEES

Over 600 respondents answered questions related to employment. On average, the surveyed francophone firms employ slightly more than 12 people.

Table 23
Employment

Number of employees	Firms	Percentage	Cumulative percentage
Less than 10	424	67.9	67.9
10 - 19	99	15.8	83.7
20 - 29	32	5.1	88.8
30 - 49	37	5.9	94.7
50 - 69	18	2.9	97.6
70 - 100	15	2.4	100
Total	625	100	

Fewer than 6 percent of the surveyed firms have more than 50 employees. The highest average number of employees is reported in the construction sector and the lowest average is found in the retail trade.

Table 24
Average Number of Employees per Firm

Sectors	Average
Construction	17.1
Manufacturing	14.4
Wholesale trade	14.2
Transportation & Communications	13.6
Consulting Services	13.3
Finance, Insurance and Real Estate	9.8
Community, Business and Personal Service	8.9
Retail Trade	8.8
Other sectors	12.1
Weighted average	*12.4*

Of the total number of employees reported (7,724), 71.0 percent are francophones and 29.0 percent are anglophones.

Francophones	*5,484 employees, 71.0%*
Anglophones	*2,240 employees, 29.0%*
Total	*7,724*

RECRUITMENT

Small businesses are often "labour intensive" and the quality and availability of qualified personnel have quite an impact on the performance of the firm. Over 47 percent of the respondent firms (312) indicated having difficulties recruiting the required personnel. This recruitment problem is particularly acute in the case of "skilled workers".

Table 25
Recruiting Difficulties by categories of employment

Categories	Firms	Percentage
Non-skilled workers	125	30.2
Skilled workers	269	65.0
Management	20	4.8
Total	414	100

The total number of responses (414) exceeds the number of respondents who mentioned having recruitment problems (312). This is due to the fact that some firms experienced recruitment difficulties in more than one category. Some sectoral differences are also evidenced in the recruitment area as illustrated in the following Table.

Table 26

Recruiting Difficulties by Sectors

Sector	Percentage of firms that have recruiting problems
Retail trade	49.2
Personal and Community services	44.1
Construction	41.9
Business services	60.0
Wholesale trade	51.2
Manufacturing	46.5
Transportation/communication	40.0
Finance, Insurance, Real Estate	50.0
Primary	25.0
Other	51.6

TURNOVER

While recruitment is by far the main problem related to employment, 18 percent of the firms reported having difficulties in keeping their personnel. This problem pertains to skilled as well as non-skilled workers. Francophone firms experience modest difficulties in "recruiting" non-skilled workers and sharper problems in "keeping them". (turnover)

Table 27
Turnover Problems by Type of Employment

Employment Categories	Firms	Percentage
Non-skilled workers	81	43.1
Skilled workers	99	52.7
Management	8	4.2
Total	188	100

Several factors account for the difficulties in recruiting and keeping employees. In this survey, only the "language problem" was considered and

its impact measured. About 10 percent of the firms indicated that "working language" is partially responsible for problems experienced in recruiting and retaining of personnel.

There are some noticeable differences in the turnover rate amongst firms as illustrated in the following Table.

Table 28
Turnover Problems by Sector

Sectors	Percentage of firms that have a turnover problem
Retail trade	20.3
Personal and Community Services	18.0
Construction	14.3
Business services	15.7
Wholesale trade	16.3
Manufacturing	20.3
Transportation/communication	8.3
Finance, Insurance, Real Estate	21.3
Primary	9.1
Other	30.0

TRAINING SESSIONS

It is recognized that training sessions improve performance and tend to establish better links between employees, company and the clients. Oftentimes, personnel training lowers turnover rates and increases job satisfaction. However, training sessions are more common in larger companies and small firms lack the necessary resources and opportunities to invest in educational endeavours and training courses. The survey confirms these facts. Only 48 percent of total employees attended training sessions while they were working for the firm. A certain polarization is evident at the two extremes as illustrated in the following Table.

Table 29
Percentage of Employees who Attended Training Sessions

Percentage of total employees	Firms	Percentage
Less than 10%	182	63.6
11 - 30%	60	21.0
31 - 75%	32	11.2
76 and more	12	4.2
Total	286	100

Not all sectors have the same rate of involvement in training sessions. Indeed 72 percent of companies in the Business Services Sector have employees who attended training sessions as compared to 36.3 percent for the retail sector.

Table 30
Training Sessions by Sector

Sectors	Percentage of firms
Retail trade	36.3
Personal and Community services	57.7
Construction	36.3
Business services	72.0
Wholesale trade	39.5
Manufacturing	38.5
Transportation/Communication	61.1
Finance, Insurance, Real Estate	71.1
Primary	36.4
Other	51.7

GOVERNMENT PROGRAMS

The Government of Ontario offers several programs aimed at providing financial as well as professional assistance to small businesses. Thirteen of these programs were identified (e.g. Nordev, New Ventures Loans, Self Help Center) and the respondents were asked to indicate:

- *their level of familiarity with these programs*
- *their frequency of utilization (number of times they used a specific program)*
- *their level of satisfaction*

Analysis of the reported findings indicates the following:

i) Ontario Summer Employment Program has the highest familiarity rate among respondents. However, even in that case, fewer than 25 percent of the firms were familiar with the program.

Table 31
Degree of Familiarity with Government Programs

Programs	Percentage of total firms familiar with the program
Ontario Summer Employment	24.4
Futures	17.6
Financial Services (FBDB)	13.6
New Ventures	12.2
Advisory Programs	11.3
Ontario skills	9.6
Average familiarity rate for the other 7 programs	*4.1*

Familiarity with the different programs is in line with the survey sample distribution. This fact is illustrated in the following Table.

Table 32
Comparison of Sample Distribution and Familiarity Distribution, regions

	Sample distribution %	Familiarity distribution %
East	73.4	70.6
Central	9.2	10.1
Northern	13.1	14.9
Metro Toronto	2.2	2.7
Southwest	2.1	1.7
Total	100	100

Percentage tabulations by programs and sectors show no significant differences.

ii) The thirteen government programs were accessed by 307 firms. These programs were used on 946 occasions averaging 3 utilizations per firm and five programs accounted for about 80 percent of total utilization.

Table 33
Utilization of Government Programs

	Percentage of respondents firms	Percentage of total utilization
Ontario Summer Employment Program	29.3	31.7
Futures	22.5	23.6
Ontario Skills	9.5	7.3
Advisory Programs	9.2	7.8
Financial Services (FBDB)	8.5	7.5
Other programs	21.4	22.1
Total	100	100

Table 34
Comparison of Sample Distribution and Utilization Distribution, regions

	Sample distribution %	Utilization distribution %
East	73.4	69.6
Central	9.2	7.8
Northern	13.1	19.2
Metro Toronto	2.2	1.5
Southwest	2.1	1.9
Total	100	100

iii) The weighted average level of satisfaction for all programs is 7.5 (where 10 = perfectly satisfied). The level of satisfaction for the five most utilized programs are shown below:

	Levels of satisfaction
Ontario Summer Employment	7.8
Futures	7.6
Ontario Skills	8.3
Advisory Programs	5.9
Financial Services	6.7
Weighted average	*7.5*

NON-USERS

Nearly 58 percent of the respondent firms (420) had not taken advantage of the above mentioned 13 programs. Reasons for no doing so are quite numerous. The most outstanding appears to be a "lack of information".

Table 35
Reasons for not taking Government Advantage of Programs

Reasons	Percentage of total
Are not aware (lack of information)	64.6
Do not need assistance	19.1
Are not applicable	7.0
Other reasons	9.3
	100

"Other reasons" include:

"Complex procedures"
"Costly e.g. accounting, time consuming, paper work..."
"Company is too small"
"Lack of time"

DIFFICULTIES

Some of the firms which benefited from government programs aimed to assist small businesses have encountered obstacles ranging from the complexity of government paper work to lack of direct assistance and guidance from the bureaucrats. More precisely, the following barriers were identified by the respondents:

- *difficult criteria*
- *incompetent bureaucracy*
- *too many details required by the programs*
- *programs are highly time consuming*
- *lack of information*
- *"Red tape"*

COMMUNICATIONS

LANGUAGE USE

A successful firm pays a great deal of attention to the area of communications, be it internal or external. Effective communications can boost productivity and provide an advantage in competitive situations. Government leadership has set the tone and stimulated a movement towards a wider use of the French language. In the aftermath of the french language act, the survey provides an excellent opportunity to assess the use of the French language in internal and external communications. The following Table indicates the "language usage" in small francophone businesses.

Table 36
Working Language used in Communications

	English	French
Clients	50.4	49.6
Employees	33.1	66.9
Suppliers	56.3	43.7
Financial institutions	45.0	55.0
Municipal government	47.3	52.7
Government of Ontario	60.7	39.3
Average	*48.8*	*51.2*

Franco-Ontarian small businesses use the French language slightly more than they use the English language (on average, 51.2% versus 48.8%) in their work environments. The use of French is much more dominant in internal communications (employees); English, on the other hand, has a wider use with the provincial government and suppliers.

The percentage levels provided in the above Table are averages and averages often do hide interesting facts. Indeed, segmenting the data yields revealing observations which are:

- 47 percent of the firms "totally"[5] use French as the communication language with their employees.

- 13 percent of the firms "totally" use English as the communication language with their employees.

---

[5]"totally" in this context denotes a situation where the language is used in over 90 percent of the time.

- The same pattern is also evident in communications with government

Municipalities:	"totally" in French - 35% of the firms "totally" in English - 28% of the firms
Provincial government:	"totally" in French - 17% of the firms "totally" in English - 35% of the firms

It is interesting to correlate the use of the French language by regions. Averaging the data in Table 37 and tabulating it by regions, the following results were obtained.

Table 37
Language Used in Communications

	French %	English %
East	54.5	45.5
Central	33.3	66.7
Northern	43.8	56.2
Metro Toronto	41.5	58.5
Southwest	19.7	80.3
Average	*48.8*	*51.2*

IMPORTANCE OF FRENCH

Generally speaking, if a firm in its internal and external communications uses the French language quite extensively, then French should be considered highly important. It is difficult to conceive a situation where French is being widely used and, yet, not regarded as prominent. Responses obtained in the survey confirm this fact. On a scale of 0 to 10, (where 0 = not at all important and 10 = highly important), the average importance of French was 7.1. This is shown in Table 38.

Table 38
Importance of the French language
(0 = no importance 10 = highly important)

Categories	Level of importance
Clients	7.6
Employees	8.0
Suppliers	6.0
Financial institutions	7.3
Municipal government	7.2
Government of Ontario	6.5
Average	*7.1*

Differences do exist between the regions in terms of the importance of the French language as illustrated in the following Table.

Table 39
Importance of the French languages by regions

	Regions				
	East	Central	Northern	Metro Toronto	Southwest
Clients	7.8	7.5	6.8	7.6	5.3
Employees	8.1	7.5	7.8	7.1	4.9
Suppliers	6.4	5.8	5.8	7.2	3.4
Financial Institutions	7.4	8.8	6.8	10.0	4.3
Municipal government	7.4	7.1	6.7	7.5	4.2
Government of Ontario	6.4	7.6	6.8	9.0	4.2
Average	*7.3*	*7.4*	*6.8*	*6.6*	*4.7*

PUBLIC RELATIONS

While verbal and written communications are highly important and do reflect the basis for the firm's operations, it is also interesting to assess the language used in the area of "public relations". The following Table shows the language used by the respondent firms in the different public relation functions.

Table 40
Language Used in Public Relations

	English %	French %
Signage	58.2	41.8
Stationery	58.6	41.4
Publicity	56.7	43.3
Business cards	58.8	41.2
Average	*58.1*	*41.9*

English is more predominant in publicity and marketing. On average, the French language is used in about 42 percent of the cases concerning signage and publicity.

CONSTRAINTS

In the survey, all respondents were asked to identify the constraints which limit the use of French more than the present practice. Two hundred and fourty nine (249) respondents cited "respect for the anglophone clientele" as the major reason. The following Table identifies the major constraints stated by the respondents.

Table 41
Major Constraints For Not Using the French Language More

Constraints	Number	Percentage
Out of respect for anglophone clientele	249	39.3
No particular reason	113	17.8
Clientèle is bilingual	76	12.0
English is more profitable	63	9.9
English preferred by suppliers/ and financial institutions	36	5.7
We live in Ontario	34	5.4
Other	63	9.9
Total	634	100

APPENDIX A

Questionnaire

CODE ____

FRANCAIS ____

ANGLAIS ____

SONDAGE

PETITES ET MOYENNES ENTREPRISES FRANCO-ONTARIENNES

Bonjour, j'aimerais m'adresser au propriétaire de l'entreprise. Je suis _____ de la firme Rhéal Leroux et Associés. Nous faisons un sondage auprès des entreprises franco-ontariennes pour le compte du Ministère de l'Industrie, du Commerce et de la Technologie.

L'objectif du sondage est de déterminer le profil de ces entreprises, leur familiarité avec les programmes gouvernementaux et d'autres informations sélectives. Évidemment toute information obtenue sera traitée d'une façon strictement "confidentielle". Les résultats du sondage ne reflèteront que des moyennes pour tout le groupe.

Etes-vous en mesure de m'accorder quelques minutes de votre temps présentement?

Si non, pouvez-vous suggérer un autre temps?

Accepte _____ Refuse _____

Date _____ Heure _____

Êtes-vous un francophone? Oui ____ Non ____

PROFIL DE L'ENTREPRISE

1) Nom de la firme _____

2) Ville _____

3) Type: Propriétaire unique _____

Partenaire (partnership) _____ Nombre H _____
F _____

Est-ce que 50% et plus des partenaires sont francophones?

Oui ____ Non ____

Enregistré _____

Incorporé _____ Année d'incorporation _____
ou d'enregistrement

4) Année(s) en opération _____

5) Nombre d'employés:

Francophones:_____

Anglophones _____

Total _____

6) De ce total, combien (ou pourcentage) sont en mesure d'utiliser couramment les deux langues?

Nombre _____ Pourcentage _____

7) Est-ce que votre firme opère sur une base:

i) Annuelle _____

ii) Saisonnière _____

iii) Si saisonnière, mois par année _____ mois

8) Identifier le secteur qui s'applique le plus à votre firme:

i) Fabrication _____

ii) Commerce de détail _____

iii) Commerce de gros _____

iv) Construction _____

v) Transport et communication _____

vi) Services au secteur d'affaires _____

vii) Services personnels et communautaires _____

viii) Finances, assurances et immobilier _____

ix) Secteur primaire _____

x) Autres (spécifiez) _____

_____

9) Quels sont les principaux produits ou services fournis par votre entreprise?

_____

_____

10) Exportez-vous à l'extérieur du Canada des biens ou services?

Oui _____ Non _____

11) Si oui à la question (10):

i) Le marché d'exportation représente _____ pour cent de votre chiffre d'affaires total.

ii) Essentiellement vers quels pays?

1. _____ 4. _____

2. _____ 5. _____

3. _____ 6. _____

PROFIL FINANCIER

12) Quel est le montant approximatif que vous avez investi pour lancer votre présente entreprise?

i) Moins que 10 000 $ ____

ii) 10 000 $ - 20 000 $ ____

iii) 21 000 $ - 30 000 $ ____

iv) 31 000 $ - 50 000 $ ____

v) 51 000 $ - 100 000 $ ____

vi) 101 000 $ - 250 000 $ ____

vii) 251 000 $ - 500 000 $ ____

viii) 501 000 $ et plus ____

13) De ce montant initial que vous avez investi, quel est le pourcentage qui était votre contribution personnelle?

_____ pour cent Refuse _____

(Si "refuse" passer à la question 15)

14) Identifiez les autres sources du financement initial?

		Pourcentage
i)	Ami	____
ii)	Famille	____
iii)	Investisseurs, partenaires (autres qu'amis et familles)	____
iv)	Banques, institutions financières	____
v)	Octrois gouvernementaux, spécifiez	____
	_____	____
	_____	____
vi)	Autres, spécifiez	____

_____

_____

15) Pour les trois dernières années, combien avez-vous investi dans votre entreprise?

i) _____ $

ii) Refuse _____

16) Quel est votre niveau de "chiffre d'affaires" (revenus bruts) annuel présentement?

i) 25 000 $ ou moins _____

ii) 25 000 $ - 50 000 $ _____

iii) 50 000 $ - 100 000 $ _____

iv) 100 000 $ - 200 000 $ _____

v) 200 000 $ - 500 000 _____

vii) 500 000 $ - 1 000 000 $ _____

viii) 1 000 000 $ - 2 000 000 $ _____

ix) 2 000 000 $ et plus _____

x) Refuse _____

17) Avec qui faites-vous affaires pour le financement et les opérations de votre entreprise?

		Financement (Pourcentage)	Opérations (Pourcentage)
i)	Banque	_____	_____
ii)	Caisse populaire	_____	_____
iii)	Trust	_____	_____
iv)	"Credit Union"	_____	_____
v)	Autres, spécifier:		
	_____	_____	_____
	_____	_____	_____

18) Pour les 3 dernières années, quel est votre taux de croissance annuel (ou baisse) au niveau de votre chiffre d'affaires? (spécifiez)

_____ pour cent, par année

19) Pour les 3 prochaines années, quel est votre estimé du taux de croissance (ou baisse) annuel au niveau de votre chiffre d'affaires? (spécifiez)

_____ pour cent, par année

20) Identifiez par ordre d'importance, les trois problèmes majeurs que vous rencontrez dans l'exercice de vos affaires?

_____

_____

PERSONNEL

21) Avez-vous de la difficulté à recruter du personnel?

Oui ____ Non ____

22) Quelle catégorie de personnel est la plus difficile à recruter?

Travailleurs non-spécialisés ____

Travailleurs spécialisés ____

Employés cadres ____

23) Avez-vous de la difficulté à garder votre personnel?

Oui ____ Non ____

24) Quelle catégorie de personnel avez-vous de la difficulté à garder?

Travailleurs non-spécialisés ____

Travailleurs spécialisés ____

Employés cadres ____

25) Croyez vous que la langue soit partiellement responsable de cette difficulté à recruter ou garder votre personnel?

Oui ____ Non ____

26) Vos employé(e)s ont-ils(elles) suivi des cours de formation?

Oui ____ Non ____

27) Pourcentage des employés ayant suivi des cours de formation.

_____ pour cent

FAMILIARITE

28) Le gouvernement de l'Ontario offre plusieurs programmes pour aider la petite entreprise. Nous voulons vérifier les trois dimensions suivantes à propos de ces programmes:

a) Votre niveau de "familiarité" avec ces programmes

b) Votre niveau "d'utilisation" de ces programmes

c) Votre niveau de "satisfaction" si vous les avez utilisé

	Programmes	Familier (10 = familier, 0 = non familier)	Fréquence d'utilisation	Niveau de satisfaction (10= très satisfait)
i)	New Ventures Loans Nouvelles entreprises prêts	___	___	___
ii)	Youth Venture Capital Loans Capital d'entreprise pour les jeunes	___	___	___
iii)	Student Venture Capilal Loans Capital d'entreprise pour les étudiants	___	___	___
iv)	The Ontario Development Corporation La Société de développement de l'Ontario	___	___	___
v)	Small Business Hotline Ligne spéciale pour les petites entreprises	___	___	___
vi)	Nordev	___	___	___
vii)	Self Help Center Centre d'information pour les petites entreprises	___	___	___

		Familier	Fréquence	Niveau de satisfaction
viii)	COIN REPIC	___	___	___
ix)	Futures L'avenir	___	___	___
x)	Ontario Summer Employment Program Programme d'emplois d'été de l'Ontario	___	___	___
xi)	Ontario Skills Bureau de consultation information professionnelle de l'Ontario	___	___	___
xii)	Advisory Programs Les services consultatifs de la banque fédérale de développement	___	___	___
xiii)	Les services financiers de la banque fédérale de développement	___	___	___

29) Si vous n'avez pas utilisé ces programmes, donnez la (ou les) raison(s):

_____

_____

_____

30) Généralement, quels sont les difficultés que vous avez rencontrées dans l'utilisation de ces programmes d'aide aux petites entreprises?

_____

_____

_____

31) Avez-vous des suggestions pour améliorer ces programmes gouvernementaux? (spécifiez)

_____

_____

_____

COMMUNICATION

32) Quelle langue utilisez-vous pour communiquer avec: (Indiquez le pourcentage)

		Anglais %	Français %
i)	Clients	___	___
ii)	Employés	___	___
iii)	Fournisseurs	___	___
iv)	Institutions financières	___	___
v)	Gouvernement municipal	___	___
vi)	Gouvernement de l'Ontario	___	___

33) Quelle langue utilisez-vous généralement pour: (indiquez le pourcentage)

		Français %	Anglais %
i)	Affichage	___	___
ii)	Papeterie	___	___
iii)	Publicité	___	___
iv)	Cartes d'affaires	___	___

34) Quelles sont les raisons qui vous empêchent d'utiliser plus de français?

_____

_____

_____

35) Pour votre firme, est-ce que la connaissance du français est importante aux niveaux suivants. Indiquez le niveau d'importance, (où 0= aucune importance 10= très important)

	Communication avec:	Niveau
i)	Clients	____
ii)	Employés	____
iii)	Fournisseurs	____
iv)	Institutions financières	____
v)	Gouvernement municipal	____
vi)	Gouvernement de l'Ontario	____

PROFIL DÉMOGRAPHIQUE DU RÉPONDANT

36) Sexe: Homme _____ Femme ____

37) Age: _____

38) Niveau de scolarité _____

39) Type de scolarité (si applicable) _____

40) Avez-vous suivi des cours de "formation" en affaires?

Oui ____ Non ____

APPENDIX B

Rate of response

RATE OF RESPONSE

Wide variations in the rate of response were registered as indicated in the following:

i) Questions related to the "general profile of the firm" received a very high rate of response. "Operational questions" were reasonably easy to answer while "legal" questions registered a lower rate of response:

Questions related to:	Rate of response
Basis of operation	100 %
Sectors	100 %
Main products or services	99.1 %
Years in operation	96.8 %
Incorporated or registered	82.8 %
Year of registration or incorporation	75.3 %

ii) Responses to questions dealing with "Communication and language used in communication" show wide disparities. The highest rate of response was recorded in the language used with "clients" and the lowest rate of response in the language used with "municipal government".

	Rate of response
Clients	95.1 %
Supplies	84.8 %
Employees	67.3 %
Financial institutions	67.3 %
Government of Ontario	63.2 %
Municipal government	62.7 %

In general, a higher rate of response indicates a better understanding of the issue at hand. It is, therefore, intriguing to observe that only 67.3 percent of the firms responded to the question regarding the language used by their "employees". However, over 95 per cent of those firms identified the language used by their "clients".

iii) With regard to questions related to "Employment" the average rate of response is over 85 percent. A few exceptions are worth mentioning:

- Only 74.1 percent were not able or willing to identify the percentage of their employees who are bilingual.

- Only 63.0 per cent were not able or willing to indicate the impact of the language on the recruitment and turnover problems.

iv) In the "financial section" the rate of response obtained was quite modest as illustrated by the following.

Questions related to:	Rate of response
Gross revenues (sales)	59.6 %
Rate of growth, past 3 years	79.5 %
Start-up investment	75.9 %
Operational problems	75.2 %
Rate of growth, future 3 years	68.9 %
Personal investment in firm	60.9 %
Investment, past 3 years	52.1 %

v) Questions related to "government assistance programs" obtained, in general a lower rate of response. This is particularly due to an awareness problem as well as to the limited use of the programs.